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C O N F I D E N T I A L SECTION 01 OF 02 HARARE 000935

SIPDIS

AF/S FOR BNEULING
NSC FOR SENIOR AFRICA DIRECTOR C. COURVILLE
USDOC FOR ROBERT TELCHIN
TREASURY FOR OREN WYCHE-SHAW
PASS USTR FOR FLORIZELLE LISER
STATE PASS USAID FOR MARJORIE COPSON
USDOL FOR ROBERT YOUNG

E.O. 12958: DECL: 12/31/2009

TAGS: [EINV](#) [ECON](#) [PGOV](#) [ZI](#)

SUBJECT: CFU ON RESTORE ORDER AND OTHER EVENTS

Classified By: Charge d'affaires Eric T. Schultz a.i. for reason 1.4 d

Summary

1. (C) Commercial Farmers Union (CFU) President Douglas Taylor-Freeme told the CDA on July 6 that RBZ head Gideon Gono was interested in luring white farmers back to Zimbabwe and protecting those still here from further seizures. However, Gono's influence had not been able to prevent the seizure of white commercial farms accelerating to five a week since the March elections and his plans for &command agriculture8 would fail to entice white farmers to return or to invest more. Freeme said Gono sought to restore productivity to the commercial farms by using the former white owners as managers and the people displaced by Operation Restore Order as cheap labor. The government would &own8 the farms. Freeme cautioned that he had heard the GOZ was also planning to transport IDPs to remote areas outside the view of international media and relief agencies and leave them to their fate even as food stocks ran out sometime in July. End Summary.

Current Status Of White Farmers

2. (C) Freeme told the CDA that the members of his organization fell into three categories: those who were still farming but not investing, those who would consider returning under the right circumstances, and those who sought only compensation for their lost farms. Of the first group, he said there were approximately 850 white farmers remaining in Zimbabwe with 450 of them fully operational. However, he reiterated that none, including himself, were putting money into the farms to upgrade irrigation systems and the like. The situation was far too unstable.

3. (C) In fact, Freeme said, there not a single white-owned farm that the government had not already &acquired8 through the courts it was just a question of when the government moved to physically seize the farms. Freeme said despite the moderate rhetoric from RBZ governor Gono, the government had actually accelerated its seizures of white-owned farms since the election with the pace now roughly five farms a week. Freeme speculate that the pace had quickened because the government needed to reward those who had helped ZANU-PF &win8 the election and aside from land they had little to give at this point.

Relations with Gono; Future Prospects

4. (C) Freeme said Gono's theory was that 20 percent of the farms provided 80 percent of the production. Many of those farms were still in white hands; others had languished since ownership changed hands. Gono wanted to protect these farms from government interference and to restore their productivity. Gono had for instance, told Provincial Governors and other local officials to stop taking commercial farms because they provided the foreign exchange needed for hospital, school, and church supplies in local communities. However, his entreaties were falling on deaf ears, as evidenced by the continuing seizures of farms.

5 (C) Freeme said that although no formal offer had yet been made, Gono also clearly wanted some of the dispossessed white farmers to return to farming in Zimbabwe as he had intimated in his May 19 address to the nation. Freeme said Gono understood that Zimbabwe was in competition with neighboring countries for these farmers, who had the experience and skills needed to restore productivity to the agricultural sector. Gono was particularly interested in luring back

horticulturalists and diary farmers, ideally to manage the farms now owned by ZANU-PF insiders. This was a non-starter. The whites would not return to manage farms they had once owned.

16. (C) Freeme said white farmers would also be reluctant to return as owners of the farms without better assurances from the government. The biggest obstacle remained the government's attitude toward private property. As part of its plans for &command agriculture8 the GOZ was moving to nationalize all farmland and then grant farmers 99-year leases. Gono had shown him a draft of the proposed lease. It was inheritable but not transferable. In addition, the GOZ planned to establish a commission to oversee agriculture, which could take the lease away at any time for failure to farm productively. Freeme said a lease of this type could not be mortgaged to raise needed investment capital and if the government followed through with this plan agriculture would collapse.

Operation Restore Order and Food Security

17. (C) Freeme said there was little doubt in his mind that part of the government's motivation for Operation Restore Order had been to create a pool of cheap agricultural labor to work on the commercial farms. Part of that pool of laborers would be comprised of the war veterans and other A1 farmers that the GOZ had encouraged to settle on white farms and now intended to evict from those farms. Ironically, even as it was doing this, the government was encouraging settlers to move on to the remaining white farms as part of its efforts to seize them.

18. (C) Freeme said he thought the operation was also intended to intimidate the population and prevent any expressions of discontent. The operation was really no different than what had happened to white farmers a few years earlier. The government had set out to destroy a potential source of opposition without regard to the economic or humanitarian consequences. In that regard, he said he had heard that the GOZ intended to transport IDPs that were not needed for labor to remote areas away from the view of the international community and leave them to their fate, which could be a grim one given that Zimbabwe's food supply would run out by the end of July, no new grain contracts had been signed, and the last 100,000 metric tons from old contracts would have been delivered by mid-July.

Comment

19. (C) Freeme's account confirms that Gono's interest in the return of some white farmers, while genuine, will likely prove illusory. Moreover, we would agree with Freeme that Gono's plans for restoring productivity to the agricultural sector are also unlikely to succeed. The GOZ's vision of &command agriculture8 and ruling party control are incompatible with the market solutions the sector needs. Without leases or titles that can be used as security for loans, the sector will remain starved of capital. The GOZ's savage campaign to direct the country's displaced masses to provide labor to the commercial farms is also doomed to failure in the long run; most of these people are likely to return to the cities as soon as they get the chance rather than accept the equivalent of serfdom.

SCHULTZ